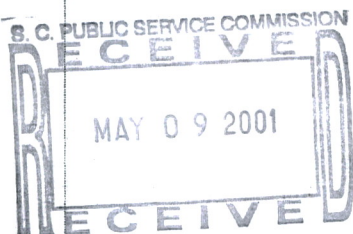


**ORIGINAL****POSTED**  
DW59-01

***Application of***  
***Metropolitan Telecommunications of South***  
***Carolina, Inc. d/b/a MetTel***  
***for a Certificate of Public Convenience and***  
***Necessity to provide Local Exchange and***  
***Long Distance telecommunications***  
***services within the State of SC***

***Docket No. 2001-84-C***



***Testimony of***  
***Vivian B. Dowdy***  
***Audit Department***

RETURN DATE: OKD  
SERVICE: OKD

***Public Service Commission of South Carolina***

1 Q. PLEASE STATE FOR THE RECORD YOUR NAME, BUSINESS ADDRESS  
2 AND POSITION WITH THE PUBLIC SERVICE COMMISSION OF SOUTH  
3 CAROLINA.

4 A. My name is Vivian Brown Dowdy. My business address is  
5 101 Executive Center Drive, Columbia, South Carolina. I  
6 am employed by the Public Service Commission of South  
7 Carolina as an Auditor.

8 Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND YOUR  
9 EXPERIENCE.

10 A. I received a B. S. Degree with a major in Accounting from  
11 South Carolina State University in 1977 and a M. A. in  
12 Business and Management from Webster University in 1994.  
13 I have been employed by the Public Service Commission  
14 since January 1980. I have participated in rate cases  
15 involving telephone, gas, and water and wastewater  
16 utilities, and have testified numerous times before this  
17 Commission.

18 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY INVOLVING  
19 METROPOLITAN TELECOMMUNICATIONS OF SOUTH CAROLINA, INC.?

20 A. The purpose of my testimony is to present my findings of  
21 the Audit Department's review of the applicant's  
22 unaudited financial statements that were a part of the  
23 filing.

1 Q. PLEASE PRESENT YOUR FINDINGS TO THE COMMISSION.

2 A. The Applicant filed financial statements dated December  
3 31, 2000. The income statement showed a net loss for the  
4 period ending December 31, 2000. The balance sheet  
5 indicated that cash made up 3.76% of the Applicant's  
6 total assets as of December 31, 2000. The current ratio  
7 is 0.50, which means that there are not enough current  
8 assets to meet all of the current liabilities at the date  
9 of the balance sheet. Retained earnings are negative,  
10 due to prior losses. Stockholders' equity is negative.  
11 The company has long-term debt as of the date of the  
12 balance sheet.

13 Q. DO YOU HAVE AN ASSESSMENT OF THIS APPLICANT'S FINANCIAL  
14 POSITION BASED ON THE FINANCIAL STATEMENTS FILED WITH THE  
15 APPLICATION?

16 A. Yes I do. The financial statements filed with the  
17 application indicate that Metropolitan Telecommunications  
18 of South Carolina, Inc. has a weak cash position. The  
19 company's current ratio indicates that as of the balance  
20 sheet date, the Applicant's liquidity position is weak.  
21 This weakness in liquidity would mean that not all of the  
22 short-term debts could be paid with the Applicant's  
23 current assets. In order for the Applicant to be able to

1 continue to operate, the Company will need to improve its  
2 ability to maintain profits and/or have another source  
3 for working capital. Such source could come from long-  
4 term debt, additional paid in capital by the owners, or  
5 profits from operations.

6 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

7 A. Yes.